



Governor's Office of
Regulatory Assistance
WASHINGTON STATE

First Annual Report 2006

Improving and simplifying Washington's regulatory systems.

Assisting those who do business in our state.

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Director

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I. Introduction

The Office of Regulatory Assistance (ORA) operates within a statutory mandate set forth in RCW Chapter 43.42 (<http://apps.leg.wa.gov/RCW/default.aspx?cite=43.42&full=true>). In addition, Executive Order #06-02 on Regulatory Improvement provides direction about key priorities to the office. ORA's enabling statute requires a biennial report to the Governor and the appropriate committee of the Legislature.

The biennial report must address three topics. First is a report on overall performance of the office. The second reporting area concerns statutory or regulatory conflicts the office may have encountered in the course of carrying out its duties. A recommendation may accompany any reported conflicts. Third, the office must report on the use of outside consultants and cost reimbursement agreements for projects that ORA coordinates. In addition to these statutory reporting requirements, Executive Order #06-02 calls for an annual report to the Governor on the status of ORA's regulatory improvement work plans.

This report fulfills the statutory and executive order reporting requirements for the office, and also addresses findings and recommendations from the recent sunset review report prepared by the Joint Legislative Audit and Review Committee (JLARC).

II. Background

A. 2002-2005 - History and Responsibilities

Since its creation in 2002, the Office of Regulatory Assistance (ORA) has maintained a focus on helping its customers. ORA has worked with state agencies and stakeholder groups to make the state's regulatory system more cohesive and efficient. The office has, through a series of incremental changes in policy, communication, procedure and technology, helped build a regulatory system that includes state, local and federal partners. ORA has also provided individual and personalized information to citizens and businesses about regulations and requirements. These activities express ORA's core mission to help agencies improve service delivery and "make life a little easier" for those who do business in Washington.

During Governor Gary Locke's administration, ORA worked with permitting agencies to clarify the steps and information required for environmental permitting. When the first director was hired in 2003, ORA worked closely with state agency rule coordinators to ensure the directives of Executive Order 97-02 and ESHB 1010 were carried out. During these years, the office also began exploring opportunities for greater use of the internet and built a basic website. From 2002 through 2006, ORA participated in the Transportation Permitting Efficiency and Accountability Committee (TPEAC). The office also furthered its partnership with the Department of Ecology (Ecology). As Ecology pursued its response to Governor Locke's Competitiveness Council, ORA worked to strengthen state agency coordination and provide direct services to applicants.

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The ORA director's office was vacant when Governor Chris Gregoire took office in 2005. During this period, the office continued to function through its field staff and with support from the Department of Ecology. A new director was hired in October 2005.

B. 2006

In February 2006, Governor Gregoire issued an executive order on regulatory improvement (No. 06-02 http://www.Governor.wa.gov/execorders/eo_06-02.pdf). The Governor directed all regulatory agencies to work with ORA on specific initiatives to improve and simplify regulatory processes and assist those doing business with state government. The Governor stipulated that the top priorities of this administration include improving and simplifying the state business systems for permitting, licensing, tax collection and other regulatory filings.

The Executive Order has shaped the ORA work plan and focused activity on enterprise-wide system change. For environmental permitting, the integration of state permit processes with those of local and federal governments is a key goal. For licensing and other activities that require businesses to interact with the state, ORA is working with a large cross-section of state and local agencies to improve online systems and clarify and reduce paperwork. ORA also works closely with the Government Management Accountability and Performance Office on regulatory and customer service issues.

In 2006, the office underwent a sunset review study by the Joint Legislative Audit and Review Committee (JLARC). That review concluded in its preliminary report, issued November 29, 2006, that the Legislature should repeal the current June 30, 2007 sunset date for the office and consider establishing a future sunset review in 2011.

Overall, the JLARC report concludes that the services provided by ORA do not duplicate services offered by other state agencies or by the private sector. JLARC also found, however, that ORA's focus has been in "doing" not on recording or reporting what it has done. JLARC has recommended that ORA develop an implementation plan to remedy the gaps in information and reporting. ORA fully supports this recommendation and is in the process of establishing performance measures, targets and data collection routines.

The JLARC preliminary report noted two areas where ORA had not complied with statutory requirements. The first requirement, filing a biennial report with the Governor and the Legislature, has been met with this document. The second requirement, adopting policies for ORA's use of the cost reimbursement tool, has also been met. The policy is posted on the ORA website at www.ora.wa.gov.

III. Statutory Reporting Requirements

A. Overall Performance

RCW section 43.42.010(i)(i) requires that ORA provide a performance report based on customer surveys to evaluate the effectiveness of the office. ORA has two main points of contact with its public customers. One is the ORA service center, or call center, as referenced

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in the enabling statute. The service center is located at the Department of Ecology's office in Lacey and is accessible in person, by email and by phone. The second main point of customer contact is through the project facilitation or coordination work of the regional case managers. ORA also works with many state, local and federal agencies, but has not, to date, developed a feedback loop with these partners.

The ORA service center provides direct services to customers, predominately individuals, businesses, and consultants, as they navigate the state's regulatory and permitting processes. The number of people served by ORA's service center has grown substantially over the past four years and is expected to continue to increase. This year the service center will serve approximately 2,000 people. Since 2003, 171 of those customers have voluntarily completed an anonymous survey rating their experience. Customers are asked to rate their reaction to four statements on a scale of one to four, with four being the highest rating.

2003 Average Response	2004 Average Response	2005 Average Response	2006 Average Response
<i>ORA representative was polite and professional.</i>			
3.9	3.7	3.7	3.7
<i>ORA representative helped me determine permit and regulatory requirements.</i>			
3.9	3.5	3.5	3.5
<i>ORA representative's follow-up to my questions was timely.</i>			
3.6	3.6	3.6	3.6
<i>ORA representative gave me useful contacts and information.</i>			
3.9	3.4	3.4	3.2

Although customer satisfaction is generally high based on these limited responses, the ratings show a small decrease in total satisfaction over time. Some of this decrease may be due to staff turnover, vacancies and the several months of training required for new employees. ORA experienced particularly high turnover 2005 and 2006. Compiling a training manual for new employees and focusing on service center performance will be part of the ORA work plan for the coming year.

Many customers have also provided written comments on their experience working with ORA staff. These responses indicate a high level of satisfaction with the ORA staff and a great deal of customer interest in further streamlining the permitting and regulatory processes. This is particularly true when a customer needs approvals from multiple state agencies or the trilogy of local, state and federal agencies.

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The following responses are representative of the positive feedback ORA has received through customer service:

...The ORA rep I spoke with was on the ball and she called me back within minutes, and I had the info I needed to me the next day. Thank you!

I know it is next to impossible to have all the laws and regulations listed on the web site, so I can understand why my question about driftwood gathering wasn't to be found. But I was VERY happy to see how quickly my question was answered...

Certainly the most responsive service I've ever received out of a government agency.

ORA has received negative comments from about 4 percent of survey respondents. Most of these comments indicate that increasing ORA's capacity to handle specific cases and integrating permitting activities between agencies would benefit customers.

Need more regional support for smaller projects.

Even though she tried, she was unable to find anyone in office who could give fees on transfer procedures or rules for boat yard op. permit.

Line between county and state jurisdictions sufficiently vague that both tend to point to the other.

The Department of Ecology conducted surveys of permit applicants in 2002, 2004 and 2006. The 2002 and 2004 surveys did not solicit feedback about ORA services. In 2006, the Ecology survey added questions to ask specifically about ORA services related to multi-agency approvals. Ecology's survey found that about a third of its customers need environmental permits from multiple agencies for a single project. A little more than half of those customers, 53 percent, thought those agencies were well coordinated. A small fraction, only 9 percent, reported they had worked with ORA on those multi-agency approvals. Of those customers, 81 percent found ORA's assistance helpful.

As part of the ORA sunset review report, JLARC contracted with the Social and Economic Sciences Research Center (SESRC) at Washington State University to review the survey tools and practices currently in use by ORA and Ecology and to make recommendations for improvement.

The SESRC report focuses largely on the Ecology survey tool and has limited other direct application for ORA. However, two of its recommendations can be applied to ORA.

1. Develop a more systematic approach to get feedback from service center customers. ORA should make greater use of the internet as a medium for collecting survey responses at multiple points in the permit process.
2. Conduct focus groups with permit applicants or other customers to identify issues with ORA services or with the general permitting process.

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ORA will develop a more robust approach to obtaining customer feedback as part of its work plan for 2007-2009 and will incorporate these specific recommendations.

B. Statutory and Regulatory Conflicts

ORA's authorizing statute directs the office to report on any statutory or regulatory conflicts identified by the office in the course of its duties. The statute specifically asks about conflicts arising from differing legal authorities and roles of agencies. (RCW 43.42.010(i)(ii).)

Over the last two years, ORA has not encountered specific statutory or regulatory conflicts. The office has, however, observed differences in definitions, standards, and notice requirements that complicate permit processing. These differences range from how to measure height or where a shoreline setback begins to what information is required on a site plan or required for a complete application.

As ORA works during the coming year with multi-agency permit review teams, staff will develop agreed upon standards, definitions, and other requirements for project design and environmental mitigation. Optimal permit sequencing and target turnaround times will be developed. These products will help ensure required procedural steps do not delay a project even when multiple agencies are involved and multiple permits are required. In all ORA's work, requirements and standards will be "plain talked" and the team will focus on full project review rather than merely looking for improvement within individual and separate permit processes.

Although ORA has not encountered statutory or regulatory conflicts in the course of its work, conflict do arise. These are usually tied to case-by-case conditions of approval developed by separate agencies and individual permit reviewers. Clear communication and coordination between the multiple agencies and the applicant, assisted by ORA, often resolves these problems. JLARC noted that additional record keeping to document the results provided by the regional leads is desirable. ORA has established a web-based tracking tool for capturing instances of conflicts or inconsistencies and how they were resolved. These results will be included in future performance reports.

C. Use of Consultants – Cost Reimbursement

ORA is also required to report on state use of outside consultants in the environmental permit review process. The statute requires that ORA adopt a policy, along with procedures and guidance, to ensure compliance with the provisions of the statute regarding cost reimbursement for use of these consultants. In conjunction with publishing this first annual performance report, ORA has also adopted the required policy, procedures and guidance. These are posted on the ORA website at <http://ora.wa.gov>.

Since 2002, ORA has worked on four projects that involved multi-agency cost-reimbursement agreements. These projects were the Buckhorn Goldmine in North Central Washington, the Williams Pipeline replacement project, the Williams Pipeline Georgia Straits crossing project, and the Segale/Tukwila South mixed use project. ORA also participated in cost reimbursement

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work on an industrial project of statewide significance at the Everett Boeing facility. Although ORA has been involved in relatively few multi-agency cost-reimbursement projects, the Department of Ecology has used the process extensively in its water resources division.

Since the cost reimbursement provisions were adopted in 2000, Ecology has used the tool on 74 projects and the Washington Department of Fish and Wildlife has used it twice. The work performed by consultants has been technical in nature, providing information to agency decision makers to speed permit reviews. The types of consultants hired include biologists, geologists, hydrologists, and fisheries scientists. When agency staff time is expended, cost reimbursement provides a backfill resource resulting in an overall net gain in agency productivity. The dollar value of these cost reimbursement projects ranges from about \$1,000 to about \$88,000. As a tool to provide greater capacity to agencies without transferring decision making authority or supplanting standard agency funding, cost reimbursement appears to be a success.

With the adoption of policies and procedures to formalize ORA's practices when working on multi-agency cost-reimbursement projects, ORA has met its statutory requirements. ORA recommends that cost reimbursement continue to be available for all projects, with ORA coordination for complicated multi-agency projects.

IV. Executive Order Performance

A. Priorities

Executive Order 06-02 defines key priorities for ORA and calls out two collaborative initiatives for regulatory improvement: the online business services center (or portal) and multi-agency environmental permitting. The order also reiterates the importance of clear communication (the Plain Talk initiative) and government accountability. According to the executive order, the director of ORA will:

- Consult regularly with stakeholders;
- Develop and implement regulatory best practices;
- Work with local and federal governments to develop coordinated permitting, licensing and related regulatory systems;
- Utilize the latest technology; and
- Report annually to the Governor.

During the 2006 calendar year, ORA participated in an average of three outreach events per month. These efforts included participation in the Department of Ecology's Regulatory Performance Advisors Group, Department of Revenue and Department of Labor and Industries small business and local government roundtables, local chamber of commerce and economic development council meetings, and user testing for the online business services center. The ORA director and senior staff spoke frequently at seminars for land use and environmental

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consultants, attorneys, planners, and information technology professionals, using these opportunities to promote the services of the office and gather input about key areas for regulatory improvement.

The online service center project has taken a multi-agency approach that will over time provide clear pathways and an easy way to navigate online system for state and local licensing, and tax and regulatory filings. ORA managed development of the website, working closely with the Department of Information Services (DIS) and 21 additional agencies and local governments.

Online permitting is another important component of the integrated approach to business services. In summer of 2006, ORA posted an online application form for development located in or around water or wetlands. This online Joint Aquatic Resources Permit Application has pop-up help buttons and other online guidance to make it easier to complete the application. ORA's continued work with the local, state and federal permitting agencies and Department of Information Services will lay the foundation for online submittal and issuance of environmental permits.

As called for in the executive order, ORA has developed successful relationships with local and federal government agencies to work on business licensing and environmental permitting. ORA has also begun working with tribal governments and state environmental permitting agencies to develop effective consultation practices. Improvements to tribal consultation and multi-agency permitting practices are areas where ORA is building on work done by the Transportation Permitting Efficiency and Accountability Committee (TPEAC). In March 2006, when TPEAC concluded, the committee adopted a resolution emphasizing the need to continue what agencies have done to communicate clearly with their customers.

With the Governor's Government, Management, Accountability and Performance (GMAP) office, ORA has used its expertise in environmental permitting to coordinate an ongoing multi-agency effort to improve up front guidance for permit applications. As more applicants "get it right the first time" and as ORA's multi-agency permit work aligns procedural steps between local, state and federal agencies, permit turnaround times will decrease. ORA is working with local, federal and tribal partners to integrate permit review while also achieving better project design and "mitigation that works" for entire watersheds.

B. Other Best Practices

ORA has partnered with the GMAP office to promote the Plain Talk initiative. In 2006, ORA sponsored training on performance measurement for Plain Talk coordinators and collected data on what agencies have done to communicate more clearly with their customers.

ORA has also worked to develop and promote best practices beyond the programs specified by the Governor's order. The office surveyed agency rules coordinators about best practices for involving stakeholders in the development and review of rules. ORA shared the survey results with all agencies to encourage innovation and transparency.

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Conclusion

In 2006 ORA solidified working relationships with agencies, reviewed statutory requirements through JLARC, and expanded its vision for regulatory improvement as directed by Executive Order 06-02. ORA moved grew into an office with an established presence and clear priorities and targets for the future.

Based on the experience of ORA leadership during the past year and feedback from the preliminary JLARC sunset review report, ORA is developing a 2007 work plan with the following key elements:

- Increase outreach and public contacts through the ORA Service Center
- Provide additional support for project coordination through the ORA regional leads
- Continue working with Multi-Agency Permit review teams to
 - Streamline permit processing,
 - Apply watershed-based approaches to mitigation, and
 - Define optimal processing sequences for projects with multiple required permits
- Continue working with regulatory agencies and local governments to develop integrated, user-friendly online systems for permitting, licensing and other regulatory filings
- Define performance and data collection targets across initiatives and specifically improve data collection regarding customer satisfaction and ORA performance
- Update training manuals, internal procedures and interagency agreements under which ORA field staff operate at the departments of Ecology and Information Services

ORA will continue to provide critical assistance to customers today while improving and simplifying enterprise-wide integrated systems for tomorrow.

If you have further questions or suggestions for ORA staff, please do not hesitate to contact us. We look forward to future reporting opportunities.